

Labor-Management Classification and Compensation Reform Update

July 2003

Final Phase of FY2001-FY2003 Compensation Units 1 and 2 Compensation Agreement Enacted

The Labor-Management Classification and Compensation Reform Task Force was created as a result of the FY2001 – FY2003 Compensation Units 1 and 2 collective bargaining agreement, and has become a model labor-management partnership. The Task Force's goal is to make District government pay more market competitive and easier to understand.

The FY2001 – FY2003 collective bargaining agreement contained a groundbreaking provision – to implement reform to the classification and compensation system. In Phase 1 we consolidated 21 pay schedules containing a variety of positions into 10 schedules covering only 9 occupational groups. This was accomplished in April 2002.

By year-end FY 2002, the Task Force completed a blueprint recommending additional changes to classification and compensation. This included a salary survey of 75 benchmark positions in Compensation Units 1 and 2 to see how the District compares to other local governments.

One key finding was that the time it takes for District employees to move through the entire pay progression of a single grade – 18 years for Compensation Unit 1 (white collar) employees – was longer than all other municipalities, except for the federal government. For our Compensation Unit 2 (blue collar employees), the pay range from minimum to maximum in a grade was much narrower than other jurisdictions, in part due to the smaller number of steps to progress through the range.

Therefore, effective June 29, 2003, the District made the first significant change to the compensation system in the District: we are changing the pay progression of Compensation Units 1 and 2 employees, or how employees move between steps within a grade.

Employees in Compensation Unit 1 (white collar) will now move through an entire grade in 14 years instead of 18 years. In addition, those Compensation Unit 1 employees who are currently at step 10 in their grade will receive a one-time bonus of 3% of their base salary.

For employees in Compensation Unit 2 (blue collar) we have added an additional step – step 6. This expanded range will increase earning potential on this pay schedule and it will now take 8 years instead of 6 years to move through an entire grade because we have added an additional step.

The tables below show how long it takes to move from step to step in the old system ("Current") and the new system ("New").

Number of Years to Progress through a Grade

White Collar (DS) (Compensation Unit 1)	Current	New
Step 1 to Step 2	1 year	1 year
Step 2 to Step 3	1 year	1 year
Step 3 to Step 4	1 year	1 year
Step 4 to Step 5	2 years	1 year
Step 5 to Step 6	2 years	2 years
Step 6 to Step 7	2 years	2 years
Step 7 to Step 8	3 years	2 years
Step 8 to Step 9	3 years	2 years
Step 9 to Step 10	3 years	2 years
<i>Total</i>	<i>18 years</i>	<i>14 years</i>

Blue Collar (RW, LW) (Compensation Unit 2)	Current	New
Step 1 to Step 2	6 months	1 year
Step 2 to Step 3	18 months	1 year
Step 3 to Step 4	2 years	2 years
Step 4 to Step 5	2 years	2 years
Step 5 to Step 6	N/A	2 years
<i>Total</i>	<i>6 years</i>	<i>8 years</i>

Coming together. Working together. Succeeding together.

Glossary

Compensation Unit 1 (White Collar) Employees – Employees who are on the DS pay schedules, which cover employees in the following occupational groups: Clerical/Administrative, Corrections & Other, Health Care, Information Technology, Legal, Professional/Program Administration, Protection and Enforcement, and Science and Technology.

Compensation Unit 2 (Blue Collar) Employees – Employees who are on the RW and LW pay schedules, which cover employees in the Maintenance/Trade/Labor occupational group.

Last Equivalent Increase (LEI) Date – The LEI date is the day you received your last step increase.

Maximum Rate – The maximum is the highest amount you can earn in a grade. For Compensation Unit 1 positions, this amount is at step 10. For Compensation Unit 2 positions, this is now at step 6.

Minimum Rate – The minimum is the lowest amount you can earn in a grade. For both Compensation Unit 1 and 2 positions, this is step 1.

“an innovative approach to bargaining...is being heralded as a strong example of labor-management partnership. This process was highlighted during the 11th National Labor-Management Conference...”

– Michael Bologna “Washington, D.C., Used Partnership Process to Modernize its Antiquated Payroll System” Government Employee Relations Report, Bureau of National Affairs, Inc., (June 11, 2002).

Frequently Asked Questions

For Everyone in Comp Units 1 & 2

Why are we changing the pay progression system?

Our salary survey results showed that the District government’s Compensation Unit 1 (white collar) employees took 18 years to move from the minimum to the maximum of a single grade range, which was far longer than the average. Reducing the time to 14 years makes us competitive with other large local government employers.

Similarly, we found that the District’s Compensation Unit 2 (blue collar) pay schedule had a smaller pay range between the minimum and maximum steps than other local governments. By adding another step to blue collar pay schedules, we will increase your earning opportunity.

Will this change affect my current LEI (Last Equivalent Increase) date?

It depends on your step and how long you have been in that step. More detailed answers are included under the separate white collar/blue collar FAQs.

When will these changes take effect?

The new pay progressions went into effect on June 29, 2003. Therefore, you will see the pay rate at your new step, if you are to receive one, in the paycheck you receive on July 22 or July 25, 2003.

Is this the new Compensation Units 1 and 2 pay raise?

No. Compensation Units 1 and 2 employees received the FY 2003 pay raise of 4% on April 6, 2003. Any upcoming pay raises for FY 2004 and beyond will be the result of a new collective bargaining agreement.

Who should I talk to if I have questions?

Please contact your Union Leadership, your agency’s Labor Liaison, or your agency’s Human Resource Advisor.

***For Compensation Unit 1
(white collar) Employees***

Will this change affect my current LEI (Last Equivalent Increase) date?

It depends. If you are currently in Steps 1, 2, 3, 5, 6 or 10, your LEI date will not change.

If you are in Step 4 and have been for more than one year, your LEI date will change because you will move to Step 5 as of June 29, 2003.

If you are in steps 7, 8 or 9 and have been for more than two years, your LEI date will change because you will move to the next step as of June 29, 2003.

I'm at Step 4, and I've been at this step for more than a year, but not yet two years. When do I become a Step 5?

You will become a Step 5, effective June 29, 2003.

It took me two years to move from Step 4 to Step 5, and now it will take my co-worker only one year. Do I get any kind of retroactive step increase?

No. However, you will now only need two years to move between steps 7, 8, 9 and 10 instead of three years each.

I'm currently at Step 8, and have been for 18 months. When do I get my next step increase?

You should receive your next step increase two years after your last increase (based on your LEI date). This should take place in about six months.

I'm currently at Step 10. It took me the full 18 years to get here. Do I get anything?

Yes. Although you are no longer eligible to receive step increases in your grade, if you are at Step 10 as of June 29, 2003, you will receive a one-time bonus equivalent to 3% of your basic rate of pay.

How will this one-time bonus be paid?

It will be paid as a separate check and taxed at a flat rate, according to Internal Revenue Service rules.

***For Compensation Unit 2
(blue collar) Employees***

Will this change affect my current LEI (Last Equivalent Increase) date?

It depends. If you are currently in Steps 1, 3 or 4 your LEI date will not change.

If you are in Step 2 and have been for more than one year, your LEI date will change because you will move to Step 3 as of June 29, 2003.

If you have been at Step 5 for less than two years, your LEI date will not change. If you have been at Step 5 for more than two years, your LEI date will change because you will move to Step 6 as of June 29, 2003.

I'm at Step 2, and have been there for more than a year, when do I become a Step 3?

You will become a Step 3, effective June 29, 2003.

I'm at Step 5, and have been for 20 years, do I get any kind of retroactive pay or retroactive step increase?

No. You will not receive any retroactive changes. However, you will become a Step 6, effective June 29, 2003.

Why will it take longer to move from Step 1 to Step 2?

We have lengthened the time to move from Step 1 to Step 2 from six months to one year in order to make this move correspond to completion of the one-year probationary period. We have also shortened the time it takes to move from Step 2 to Step 3, from 18 months to one year. Therefore, at the end of two years, a new employee will be at Step 3.

Summary of Collective Bargaining Agreement Salary Provisions

The Compensation Agreement Between the District of Columbia Government and Compensation Units 1 and 2 covers FY2001 through FY2003 and remains in full force and effect through September 30, 2003.

- ✓ In FY 2001, employees received a 4% salary increase, effective October 8, 2000, plus a \$500 bonus; these were received in 2001.
- ✓ In FY 2002, employees received a 4% salary increase and a bonus and/or increase of at least ½% due to consolidation of salary schedules on April 16 or April 19, 2002.
- ✓ In FY 2003, employees received a 4 % increase, effective April 6, 2003.
- ✓ In FY 2003, at least 1% will be used for classification and compensation reform. The effective date will be June 29, 2003.

Pay Consolidation Recap

In FY 2002, we consolidated the 21 pay schedules in Compensation Units 1 and 2 into 10 schedules, based on 9 occupational groups. These groupings are generally based on the kind of work someone does, and they are commonly used by human resource professionals to classify job titles.

Pay consolidation has helped to simplify the payroll system and align compensation more consistently across agencies. Go to the DC Office of Personnel website at www.dcop.dc.gov, and click on "Employee Compensation," for the most recent pay schedules.

9 Occupational Groups

Clerical/Administrative
 Corrections and Others
 Health Care
 Information Technology
 Legal
 Maintenance/Trades/Labor
 Professional/Program Administration
 Protection and Enforcement
 Science and Engineering

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